

highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **After five months of decline, exports from British Columbia to the rest of the world grew 1.6% (seasonally adjusted) in October.** A drop in exports to the US (-7.0%) was made up by a large increase in shipments to other countries (+25.4%). Overall exports of agriculture and fish were among the hardest hit, falling 21.2% due to declines in shipments to both the US (-24.0%) and other countries (-4.2%). Mining products saw the largest increase (+15.6%) with exports to countries other than the US growing 48.3%. Forestry and related products also experienced a rebound, rising 6.8%. Strong gains in overseas shipments (+29.5%) outweighed a decline (-2.4%) in forest product exports to the US.

Source: BC STATS

- **The Canadian industrial product price index declined 1.9% in November compared with the same month of 2000.** The driving force behind this was the price of petroleum and coal products, which fell 23.8% from November 2000 levels. Prices for lumber, sawmill and other wood products rose 1.9%.

Canada's raw materials price index fell 16.2% in November, compared to the same period last year. Mineral fuels saw the largest decline, dropping 30.1%. Wood prices also slumped (-13.0%).

Source: Statistics Canada

- **For the seventh consecutive month, BC softwood lumber prices rose (+5.2%) in November compared to the same month of 2000.** This was a result of higher prices in both the interior (+5.9%) and coastal (+3.5%) regions of the province. The price of BC pulpwood chips declined (-31.4%) for the seventh straight month.

Source: Statistics Canada

School Board Expenditures

- **After three years of growth, BC school board expenditures dropped 3.3% in 1998.** Despite this fall, expenditures per full-time equivalent student remained flat (+0.0%), at \$7,058. Yukon (\$11,809) and the Northwest Territories (\$11,579) spent the most per student, while Prince Edward Island spent the least (\$5,264). Canada-wide, school boards spent an average of \$6,993 for every full-time equivalent student.

Statistics Canada

Skiers

- **Alpine skiing is a popular pastime in British Columbia, with the province being home to 18% (435,000) of the alpine skiers in Canada.** This is considerably higher than BC's 13% share of the population. Eight percent (212,000) of Canadian skiers live in the Vancouver area. Ontario (31%) and Quebec (28%) are home to six out of every ten alpine skiers in the country. Ten percent of Canadians over the age of 12 are downhill skiers.

Source: 2001 Print Measurement Bureau & The Canadian Ski Council

- **In BC, alpine skiers outnumber those who ski cross-country more than two to one, with 435,000 alpine skiers, compared to 180,000 cross-country enthusiasts.** Albertans (353,000 versus 199,000) also show a strong preference for taking to the slopes, but the difference is less marked in the rest of the country. Nationally, there are about 1.5 times as many alpine (2,620,000) as cross-country (1,746,000) skiers. About 7% of Canadians participate in this sport. Those who ski cross-country tend to be older than alpine skiers (48% are between the ages of 25 and 49, while 30% of alpine skiers are in this

Did you know...

One in four (26%) British Columbians did some volunteer work in 2000.

age group).

Source: 2001 Print Measurement Bureau &
The Canadian Ski Council

- **Although snowboarding isn't as popular as skiing, more than a million Canadians—including 170,000 residents of this province—participate in this sport.** It's a sport for the young. Three out of four snowboarders are between the ages of 12 and 24. Two-thirds of them are male.

Source: 2001 Print Measurement Bureau &
The Canadian Ski Council

- **Alpine skiers and snowboarders made an estimated 4,998,000 visits to slopes in BC and the Yukon during the 2000/01 season.** This was down 11.6% from the previous year, when there were 5,656,000 visits, as low snow-pack levels, a relatively weak economy, and a decline in travel from Europe affected the number of visits to BC ski resorts. Slopes in Alberta (-25.5%), Saskatchewan (-22.8%) and Manitoba (-15.0%) were also less busy than they had been in the winter of 1999/2000, largely due the lack of snow. Nationally, the number of skier visits was up 2.2%, as ski facilities in Quebec (+20.0%) and Ontario (+18.7%) posted strong gains, as did those in Atlantic Canada (+27.3%). Quebec (6,800,000) and BC (4,998,000) together accounted for two thirds of the 17,753,000 skier visits in Canada last year.

Source: 2001 Print Measurement Bureau &
The Canadian Ski Council

Internet Use

- **In 2000, Canadian Internet users spent an average of eight hours per week on the Net.** One in six users were connected more than 15 hours each week. Surfing the Internet has been making inroads into time spent in other leisure activities. Twenty-seven percent of surfers said they were spending less time watching TV, 15% read fewer books and magazines, 11% slept less and 11% said they spent less time on leisure activities at home. Household chores gave way to mouse-wielding for 10% of users, while 8% spent less time shopping. Other activities for which the Internet was a substitute included visiting/talking with family (7%), visiting/talking with friends (6%) and leisure activities outside the home (7%).

Source: SC, Catalogue 11-008

Is Santa a Deadweight Loss?

- **Now that Christmas is over, it's time to look at the cost associated with all those ties, books**

and chocolates that will never be worn, read or eaten. A study published in the December 1993 edition of the American Economic Review found that gifts cost the givers about 10% more than they were worth to the recipients. It's estimated that Americans spend about \$40 billion (US) on Christmas gifts, translating into a dead-weight loss of about \$4 billion. Assuming that Canadians are as generous as their neighbours to the south, that means that about \$8.3 million (Canadian) of the roughly \$83 million spent on Christmas gifts in BC was spent on items that might never be used.

The Nation

- **In October, Canadian gross domestic product inched up 0.3% (seasonally adjusted) after a 0.8% decline in September.** Both the goods (+0.2%) and service (+0.3%) industries expanded, but despite the improvement, the Canadian economy continued to show signs of weakness. The growth in the goods sector was largely due to a 2.2% increase in the utilities industry. Construction (+0.7%) and manufacturing (+0.2%) posted modest increases. Agriculture, forestry, fishing and hunting, and mining and oil and gas extraction both saw a 1.1% decline. Goods producing industries remained fragile, as the growth in October was not strong enough to bring the value of total output back to pre-September levels. Among the service industries, retail trade saw the largest increase (+2.3%) following a 2.1% decline in September. Accommodation and food services (+1.8%), which bounced back from a 4.1% decline in the previous month, was a strong performer. However, transportation and warehousing, another industry that was hard-hit following the September 11 attack, remained depressed, with GDP shrinking 0.1% in October after falling 2.1% in the previous month. Other tourism-related industries, such as taxi and limousine services (+1.6%), travel and tour operators (+3.8%), scenic and sightseeing transportation (+5.0%) and motor vehicle rentals (+1.3%) made gains, but remained well below the levels they were at before the terrorist attack in the US.

Source: Statistics Canada

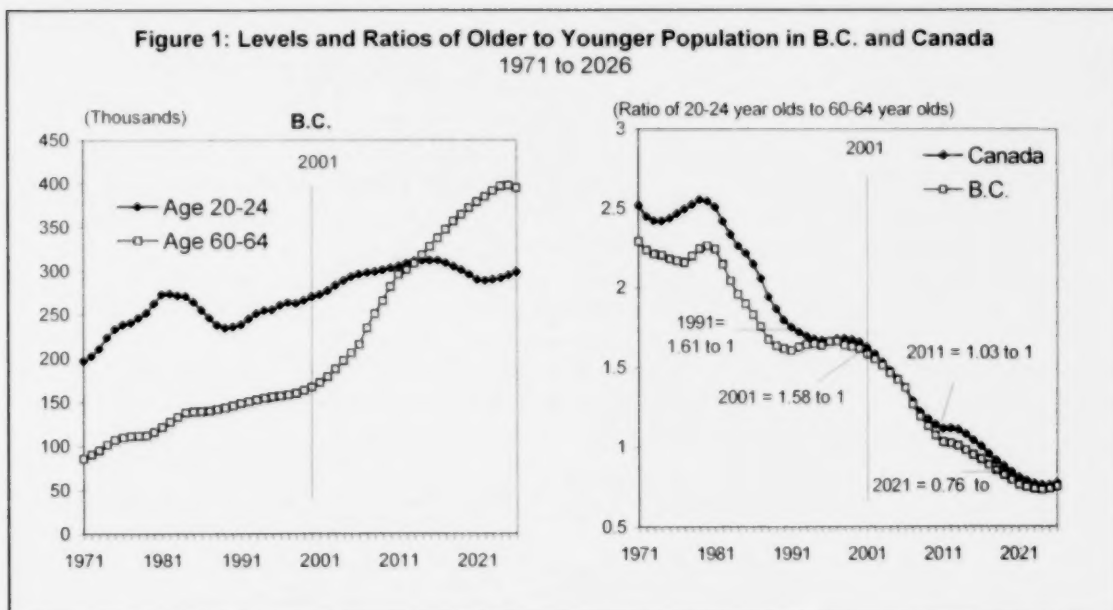
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Older Workers in the Labour Market

Introduction . . . While there is no general definition for "older worker," for the purposes of this article the focus is placed on persons aged 50 to 69. This report provides an overview of labour market characteristics of older workers in B.C. over the past twenty-five years. It also highlights what might be in store in the short term in light of upcoming demographic changes. The term "older" is simply used in a relative sense. (Note the working age population is defined as all persons aged 15 and older).

Labour market characteristics differ considerably among older workers. In 2000, three quarters of those aged 50 to 54 were employed. More diverse characteristics were found in the next two groups of older workers, aged 55 to 59 and 60 to 64. Those aged 65 to 69 were primarily retired, with only a small portion still active in the labour force. Within these age groups, differences between men and women were also evident and are explored later in the article.

Population . . . Figure 1 (left graph) shows the estimated and projected population levels of those between the ages of 20 and 24, and those between the ages of 60 and 64, from 1971 through to 2026. The younger cohort corresponds to the inflow of prime entrants into the labour force, while the prime retirement cohort corresponds to the outflow. The main retiree population is rapidly catching up in size to the main labour force entry population. Currently the population of 60 to 64 year olds is about 100,000 smaller than those 20 to 24 years old. The two cohorts are projected to be equal by the year 2011. After this point the retiree population will grow to exceed the younger cohort through to the year 2026. For many occupations, the number of retiring workers are projected to exceed the in-flow of young worker entrants. This will contribute to occupational skill shortages.



Unless birth rates rise significantly (which is unlikely), in-migration levels increase significantly, labour force participation rates increase, or older workers stay in the labour force longer, competition by employers for skilled workers in B.C. will increase considerably over the next ten years.

Canada overall will also experience the demographic challenge of a prime retirement aged population exceeding the labour force entry level population. B.C. appears poised to see a slightly more problematic situation than faced by Canada overall.

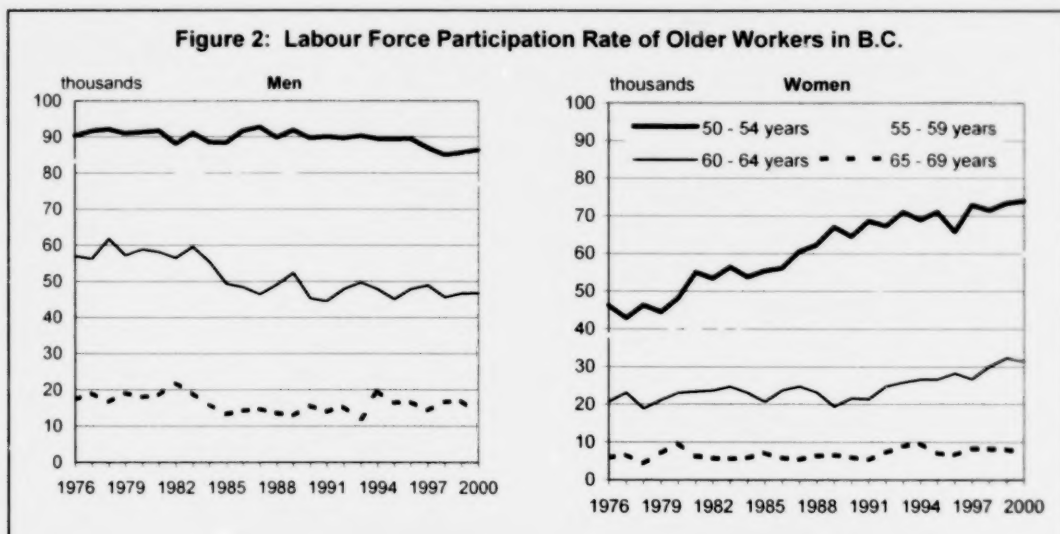
Figure 1 (right graph) illustrates that Canada now has some 1.6 persons aged 20 to 24 for every 1 person aged 60 to 64. This ratio will be 1 to 1 by the start of the next decade, and fall to about 0.76 to 1 by 2026.

The share of B.C. population aged 50 and older is expected to continue to increase in the coming years due largely to the aging of the "baby boom" group. The oldest were born in 1946 and entered the 50 to 54 age cohort in 1996. They are reflected in the increased numbers seen in the labour force for this age group since then. The last of the baby boomers, born in 1963, will enter the 50 to 54 age cohort in 2013.

Labour Force Participation . . . Labour force participation for those aged 50 to 54 and 55 to 59 have seen slight increases in their participation rates while the two older groups (60 to 64 and 65 to 69) have remained relatively flat over the past 24 years. However, when participation rates are looked at separately for men and women a different story emerges. Figure 2 shows that while labour force participation for men is close to 90% in the 50 to 54 age cohort, participation starts to fall off in the older groups where retirements start occurring. For men in the 60 to 64 age group participation fell to 47 per cent from 57 per cent over the past 24 years. There is still a relatively active labour force in the 65 to 69 age group with an average participation rate of over 15 per cent but even it is lower than 1976.

By contrast, women have seen labour force gains in all older age groups over this period. This reflects the surge of women into the work force in the 1960s and 1970s who established careers and are now entering the older age cohorts. Men have traditionally participated in the labour force in larger numbers than women in all age groups. However, with the decline in labour force participation rate for older men and the increase for older women, the participation gap is narrowing. In 2000 the gap between men and women aged 50 to 54 was only 12 percentage points compared to a 44 percentage points in 1976.

Figure 2: Labour Force Participation Rate of Older Workers in B.C.



Participation in Other Provinces . . . Comparing labour force participation rates of older workers in Alberta, Ontario and Canada as a whole, we see a similar pattern. Participation is increasing rapidly for 50 to 54 year olds and more slowly for 55 to 59 year olds. Participation for 60 to 64 year olds is declining across Canada while participation for those aged 65 to 69 has remained low and is slowly declining over the period 1976 to 2000.

In all older workers age groups, Alberta has the highest participation rate compared to B.C., Ontario and Canada as a whole. This may be due in part by Alberta's low unemployment rate and healthy economy. In the 50 to 54 and 55 to 59 age groups B.C., Alberta and Ontario have higher participation rates than the Canadian average. For those aged 60 to 64 the same holds true since 1992 when participation in B.C. rose to exceed the Canadian average. For those aged 65 to 69, B.C. participation rose to meet the Canadian average by 1994. Participation in the two older age groups is considerably higher in the prairie provinces than in Ontario and B.C. This may be due in part to farmers who continue to work on family farms well into old age.

It will be interesting to see what the next ten years will bring. On the one hand, the trend for increased labour force participation for older workers, particularly women may continue as more baby boomers enter the older worker categories. On the other hand, there has been a trend in recent years for workers to retire earlier, which may partially offset this increase in participation. The changing economy which may make it less favourable to retire early, plus shortages of younger skilled workers which may make retaining older workers desirable, could have a dampening effect on early retirement trends.

For those past the traditional retirement age, those aged 65 to 69, participation in the labour force is much lower than other older workers at just over 10 per cent. This has remained relatively unchanged since 1976. This contrasts with a recent perception that more people in this age group are continuing to work past the age of 65 or returning to work after temporarily retiring. While this may be true for some, its impact on

participation is likely more than offset by other factors. For example, employer pensions and RRSPs which provide economic security, and as well as lifestyle choices are likely contributing to the low participation rate for persons aged 65 and older.

Employment . . . A look at employment levels tells a different story. Older workers between the ages of 50 and 69 account for about 21 per cent of all employed persons in 2000, up only slightly from 19 per cent in 1976. This share of employment is poised to increase significantly in the coming years as more baby boomers enter this age group.

This is illustrated in Figure 3, where employment for both men and women aged 50 to 54 has risen sharply over the past five years. The leading-edge baby boomers left the 45 to 49 age category and entered the 50 to 54 age category starting in 1996. Those aged 50 to 54 now represent half of older workers compared to about 40 per cent twenty years ago.

**Figure 3:
Employment Levels of Older Workers in B.C.**

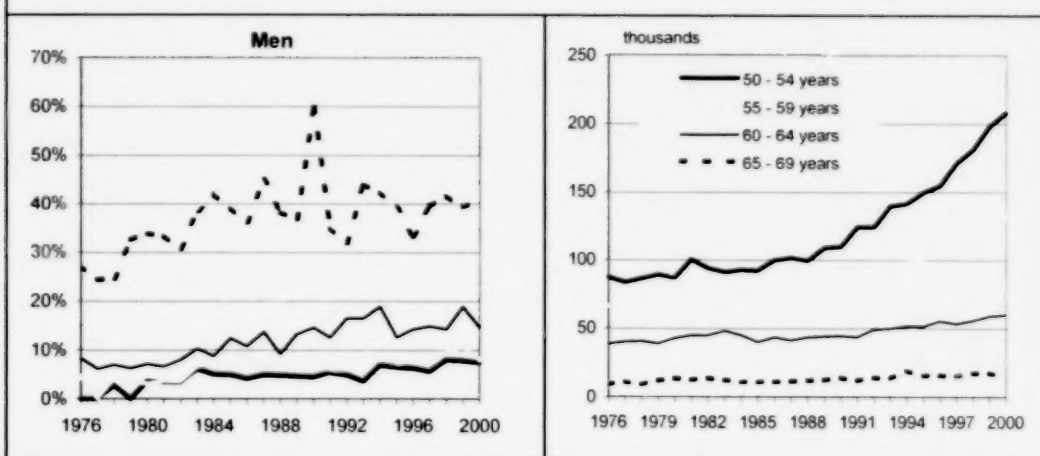



Part-time Employment Rate . . . Figure 4 shows the share of part-time employment as a share of total employment by older age categories. Part-time employment for older men is relatively low, representing 10.0 per cent of all employment by older men. However, this has more than doubled from 4.5 per cent in 1976. All age groups have seen an increase. For men age 65 to 69 part-time employment represents a significant proportion of their employment at 40 per cent, up from 27 per cent in 1976.


The share of older women working part-time is traditionally higher than for men but hasn't changed much over time. It represents 30.1 per cent of all employment for older women in 2000 compared to 28.7 per cent in 1976. Part-time employment is declining for women aged 50 to 54 and 55 to 59, but is relatively flat for the two older categories. The Baby Boom generation of women are more likely to have careers and work full time. These women are entering the older worker age categories and driving the part-time rate down. Women who work over the age of 65 are few in number and as such, the statistics should be viewed with caution.

Summary . . . We have seen declining labour force participation rates for older men but not for older women. This took place in an era of relatively high unemployment rates. If unemployment rates continue to decline over the longer term, and skills and occupational shortages arise, the participation rates for older workers may stabilize and may even increase as opportunities draw older workers into the labour market.

Figure 4: Part-Time Employment Rate of Older Workers



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 also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)		
	Oct 1/01	% change on one year ago
BC	4,102.8	0.9
Canada	31,156.4	1.0
GDP and INCOME		
(BC - at market prices)	2000	% change on one year ago
Gross Domestic Product (GDP) (\$ millions)	127,564	5.8
GDP (\$ 1997 millions)	124,464	3.9
GDP (\$ 1997 per Capita)	30,664	3.1
Personal Disposable Income (\$ 1997 per Capita)	25,195	2.8
TRADE (\$ millions)		
Manufacturing Shipments (seas. adj.) Oct	2,711	-11.8
Merchandise Exports (raw) Oct	2,329	-14.6
Retail Sales (seasonally adjusted) Oct	3,179	5.6
CONSUMER PRICE INDEX		
(all items - 1992=100)	Nov '01	% change on one year ago
BC	114.9	0.3
Canada	115.8	0.7
LABOUR FORCE (thousands)		
(seasonally adjusted)	Nov '01	% change on one year ago
Labour Force - BC	2,103	-0.4
Employed - BC	1,924	-2.0
Unemployed - BC	179	22.0
	Nov '00	
Unemployment Rate - BC (percent)	8.5	7.0
Unemployment Rate - Canada (percent)	7.5	6.9
INTEREST RATES (percent)		
	Jan 2/02	Jan 3/01
Prime Business Rate	4.00	7.50
Conventional Mortgages - 1 year	4.60	7.70
- 5 year	6.85	7.95
US/CANADA EXCHANGE RATE		
	Jan 2/02	Jan 3/01
(avg. noon spot rate) Cdn \$	1.5979	1.4978
US \$ (reciprocal of the closing rate)	0.6260	0.6672
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Nov '01	% change on one year ago
BC	650.84	1.2
Canada	638.14	2.5
SOURCES:		
Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada		
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics		
For latest Weekly Financial Statistics see www.bankofcanada.ca		

Released this week by BC STATS

- Exports, October 2001

Next week

- Tourism Sector Monitor, December 2001

